

Month

Block 7: Bid Documentation

45 Did you receive any bids in response to the Form 465 Request for Services posted on the RHCD web site?
If you check yes, copies of the bids MUST be mailed to RHCD.

No

Block 8: Certification

46 **YES:** I certify that the above named entity has considered all bids received and selected the most cost effective method of providing the requested service or services. The "most cost-effective service" is defined in the Universal Service Order as the service available at the lowest cost after consideration of the features, quality of transmission, reliability, and other factors that the health care provider deems necessary for the service to adequately transmit the health care services required by the health care provider.

47 **YES:** Pursuant to 47 C.F.R. Secs. 54.601 and 54.603, I certify that the HCP or consortium that I am representing satisfies all of the requirements herein and will abide by all of the relevant requirements, including all applicable FCC rules, with respect to universal service benefits provided under 47 U.S.C. Sec. 254. I understand that any letter from RHCD that erroneously states that funds will be made available for the benefit of the applicant may be subject to rescission.

48 **YES:** I hereby certify that the billed entity will maintain complete billing records for the service for five years.

49 **YES:** I certify that I am authorized to submit this request on behalf of the above-named Billed Entity and HCP, and that I have examined this form and attachments and that to the best of my knowledge, information, and belief, all statements of fact contained herein are true.

50 Signature

ECERT-2/22/2010

51 Date

52 Printed name

Maryann Freepartner

53 Title or position

Finance Manager

54 Employer of authorized person

Providence Health & Services

55 Employer's FCC RN

0013793187

Please remember:

- You must submit one Form 466 for **each service** (i.e., circuit) for which you request reduced rates. For example:
--If you are requesting reduced rates for **two** T1 lines, you must submit **two** Forms 466.
--If you are requesting reduced rates for **two** ISDN lines & **one** Frame Relay line, you must submit three Forms 466.

• If the service described on this form is subject to the 28-day competitive bidding requirement, do not select a carrier or complete the Form 466 before or during the 28-day posting period.

• You must provide evidence of the urban rate if you have completed Block 6 and have not used the urban rates from the website.

• This form, attachments, and supporting documents should be combined in one envelope and sent to the RHCD.

• If the service described on this form changes (e.g., rate change) during the funding year, you must notify RHCD immediately and submit a revised Form 466.

• If you have any questions, call RHCD at 1-800-229-5476.

Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act, 47 U.S.C. Secs. 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. Sec. 1001.

EXHIBIT 5

FCC NOTICE FOR INDIVIDUALS REQUIRED BY THE PRIVACY ACT AND THE PAPERWORK REDUCTION ACT

Page 7 of 8

Part 3 of the Commission's Rules authorize the FCC to request the information on this form. The data reported will be used to ensure that health care providers have selected the most cost-effective method of providing the requested services as set forth in 47 C.F.R. § 54.603(b)(4). The information will be used by the Universal Service Administrative Company and/or the staff of the Federal Communications Commission, to evaluate this form, to provide information for enforcement and rulemaking proceedings and to maintain a current inventory

of applicants, health care providers, billed entities, and service providers. No authorization can be granted unless all information requested is provided. Failure to provide all requested information will delay the processing of the application or result in the application being returned without action. Information requested by this form will be available for public inspection. Your response is required to obtain the requested authorization.

The public reporting for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the required data, and completing and reviewing the collection of information. If you have any comments on this burden estimate, or how we can improve the collection and reduce the burden it causes you, please write to the Federal Communications Commission, AMD-PERF, Paperwork Reduction Act Project (3060-0804), Washington, DC 20554. We will also accept your comments regarding the Paperwork Reduction Act aspects of this collection via the Internet if you send them to pra@fcc.gov. PLEASE DO NOT SEND YOUR RESPONSE TO THIS ADDRESS.

Remember - You are not required to respond to a collection of information sponsored by the Federal government, and the government may not conduct or sponsor this collection, unless it displays a currently valid OMB control number or if we fail to provide you with this notice. This collection has been assigned an OMB control number of 3060-0804.

THE FOREGOING NOTICE IS REQUIRED BY THE PRIVACY ACT OF 1974, PUBLIC LAW 93-579, DECEMBER 31, 1974, 5 U.S.C. 552a(e)(3) AND THE PAPERWORK REDUCTION ACT OF 1995, PUBLIC LAW 104-13, OCTOBER 1, 1995, 44 U.S.C. SECTION 3507.

This form should be submitted to: Rural Health Care Division 100 S. Jefferson Rd. Whippany, NJ 07981

FCC Form 466
April 2008

[Click here to return to the HCP Information Page](#)

EXHIBIT 5
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Rural Health Care Division

30 Lanidex Plaza West
P.O. Box 685
Parsippany, NJ 07054-0685

www.rhc.universalservice.org
Phone: 1-800-229-5476

September 30, 2010

Maryann Freepartner
Providence Seward Medical Center
P.O. Box 365,
Seward, AK 99664

Re: Funding Commitment for Funding Year 2009, Packet ID# 91429

Dear Maryann Freepartner:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) has completed a review of your FCC Forms 466 or 466A and made decisions with respect to your request for support of telecommunications or Internet services. This letter is to advise you of our decisions. We have sent this letter to both the rural HCP mailing address (above) and the rural HCP physical location (below) if these addresses are different.

HCP Number: 10382
HCP Contact Name: Maryann Freepartner
HCP Name: Providence Seward Medical Center
HCP Address: 417 1st Ave.
Seward, AK 99664

In addition, a copy of this letter has been sent to your service provider listed below.

Service Provider Name: Alascom, Inc. - DBA AT&T Alascom
Service Provider Identification Number (SPIN): 143005617

Based on the information provided on your applications, the RHCD determined that the rural HCP may receive the onetime (non-recurring) and monthly recurring support amounts shown below for Funding Year 2009 (7/1/09 to 6/30/10). The estimated total support amount listed below is what the RHCD has reserved for your request.

Service: T1 or DS1 - 1544 Kbps
Billing Account Number: 8002-765-6315

Type of Service Agreement	Eligible Support Start Date	Support End Date	Estimated Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Estimated Total Support Amount	Funding Request Number
Contract	11/4/2008	8/30/2010	7.9	\$418.40	\$2,457.17	\$19,830.04	47833

To help you understand the information provided in this letter, the following definitions are provided:

- Service: The type of service ordered from the service provider as shown on Form 466 or 466A.

EXHIBIT 6
Page 1 of 6

When filling out Form 467, please take special care when completing Block 5, Item 12, which requires the Billing Account Number of the organization eligible to receive the "universal service support credit." The Billing Account Number is an account code used by service providers to track charges and credits for customers and is listed on the bill for the supported service. The RHCD recommends that rural HCPs verify the Billing Account Number with their service provider.

The Billing Account Number in Item 12 must belong to the entity that is actually billed for the supported service. If the service used by the rural HCP is billed to another organization, such as the "parent" entity in a telemedicine consortium or network, please verify the Billing Account Number with that organization. FCC rules specifically state that the benefits of this program are only available to eligible rural HCPs. Therefore, although the service may be billed to another organization, the benefits of the support must clearly flow to the eligible rural HCP.

The Form 467 should be signed by the HCP employee responsible for procuring or maintaining the requested services for the rural HCP. The signer of Form 467 is certifying that the eligible rural HCP has or will receive the benefit of the universal service support.

The Billing Account Number, certifications, and all other information provided on FCC Forms 465, 466, 466A, and 467 may be subject to audit by the RHCD and the FCC. The RHCD must be immediately notified, if at any time, the supported services are not being conveyed to the eligible rural HCP, or the eligible rural HCP is not otherwise receiving the benefit of this federal universal service support. Rural HCPs that are approved for support are reminded that they, and any entity that filed an application on their behalf, continue to be subject to audits and other reviews that the RHCD and/or the FCC may undertake to insure that the universal service support is being used in compliance with FCC program rules. If the RHCD discovers that supported services are not being used in compliance with program rules, applicants will be subject to enforcement activities and other means of recourse by the RHCD and other appropriate Federal, state, and local authorities.

Appeals

The RHCD recognizes that some health care providers will disagree with our decisions. If you wish to file an appeal, your appeal must be postmarked no later than 60 calendar days after the Funding Commitment Letter was issued, starting on the date at the top of this letter. There are two appeal options:

- A. Write an RHCD Letter of Appeal explaining why you disagree with the Funding Commitment Letter and what outcome you request, OR;
- B. Write an appeal directly to the Federal Communications Commission (FCC) —skipping Option A— explaining why you disagree with the RHCD's decisions. The FCC rules governing the appeals process (Part 54 of Title 47 of the Code of Federal Regulations 54.719 – 54.725 as amended January 24, 2002 by FCC Order 01-376) are available on the RHCD web site (www.rhc.universalservice.org). While you may write directly to the FCC without first presenting your appeal to the RHCD, you are encouraged to write first to the RHCD so that we have an opportunity to review your appeal and grant it, if appropriate.

Please follow these guidelines when submitting a letter of appeal to the RHCD:

1. Write and mail your letter to:

Letter of Appeal
Rural Health Care Division of USAC
2000 L Street Northwest, Suite 200
Washington, DC 20036
Phone: (800) 229-5476

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 a.m. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 a.m.

Please be sure to indicate Docket Nos. 96-45 and 97-21 on all communications with the FCC. The appeal transmission must also provide the rural HCP name and HCP number from the letter(s) being appealed, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address (if available) of the person filing the appeal. Unless the appeal is by e-mail, please include a copy of the letter being appealed.

Funding Year 2010

The Funding Year 2010 application-filing window will open well before the beginning of the funding year on July 1, 2010. Check the RHCD website for dates and details. The FCC requires applicants to re-file each funding year to participate in the rural health care universal service support mechanism, and applicants must complete and have a Form 465 posted on the RHCD website for 28 days before they may select a service provider and become eligible to receive support.

Questions

If you have any questions or need help, please call the Customer Service Support Center at 1-800-229-5476, Monday through Friday, 8am - 8pm, Eastern Time. Please have your HCP Number available as a reference.

Sincerely,

RHCD - USAC

cc: Alascom, Inc. - DBA AT&T Alascom, Providence Seward Medical Center



Rural Health Care Division

30 Lanidex Plaza West
P.O. Box 685
Parsippany, NJ 07054-0885

www.rhc.universalservice.org
Phone: 1-800-229-5476

September 30, 2010

Maryann Freepartner
Providence Seward Medical Center
P.O. Box 365,
Seward, AK 99664

Re: Funding Commitment for Funding Year 2009, Packet ID# 92084

Dear Maryann Freepartner:

The Rural Health Care Division (RHCD) of the Universal Service Administrative Company (USAC) has completed a review of your FCC Forms 466 or 466A and made decisions with respect to your request for support of telecommunications or Internet services. This letter is to advise you of our decisions. We have sent this letter to both the rural HCP mailing address (above) and the rural HCP physical location (below) if these addresses are different.

HCP Number: 10382
HCP Contact Name: Maryann Freepartner
HCP Name: Providence Seward Medical Center
HCP Address: 417 1st Ave.
Seward, AK 99664

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Service Provider Identification Number (SPIN): 143005617

Based on the information provided on your applications, the RHCD determined that the rural HCP may receive the onetime (non-recurring) and monthly recurring support amounts shown below for Funding Year 2009 (7/1/09 to 6/30/10). The estimated total support amount listed below is what the RHCD has reserved for your request.

Service: T1 or DS1 - 1544 Kbps
Billing Account Number: 8002-765-6315

Type of Service Agreement	Eligible Support Start Date	Support End Date	Estimated Months of Support	Non-Recurring Support Amount	Monthly Recurring Support Amount	Estimated Total Support Amount	Funding Request Number
Contract	11/4/2009	6/30/2010	7.9	\$418.40	\$2,457.17	\$19,830.04	47834

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EXHIBIT 6
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Questions

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Sincerely,

RHCD - USAC

cc: Alascom, Inc. - DBA AT&T Alascom, Providence Seward Medical Center

Ex. 7

Freepartner, Maryann

From: Merchant, Amy [am0211@att.com]
Sent: Thursday, October 14, 2010 1:21 PM
To: Freepartner, Maryann
Subject: RE: AT&T Alaska Response
Attachments: Providence Seward letter.pdf

Maryann,

Attached is a letter confirming that the Providence Seward Medical and Care Center circuits are not mileage sensitive. The rates of the circuits were not based on a per mile circuit cost. Andy Rabung in his previous email confirmation confirmed what was asked, what would the cost breakdown be per mile with the rate they are charged. He stated what they would be, but the overall circuit cost was not based on that. That is a special contract price.

Please let me know if I can provide any additional information to you for assistance.

Thanks,

Amy Merchant
AT&T Alaska
Healthcare Account Executive
Signature Clients Group
Desk: 907-264-7142
Mobile: 907-360-5562
Fax: 907-777-2649

From: Freepartner, Maryann [mailto:Maryann.Freepartner@providence.org]
Sent: Wednesday, October 13, 2010 8:41 AM
To: Merchant, Amy; Schlimgen, Nathan
Subject: RE: AT&T Alaska Response

Thank you. I hope this will result in a reconsideration or recalculation.

Maryann Freepartner
Finance Manager
Providence Seward Medical and Care Center
907-224-2980

From: Merchant, Amy [mailto:am0211@att.com]
Sent: Wednesday, October 13, 2010 8:38 AM
To: Freepartner, Maryann; Schlimgen, Nathan
Subject: RE: AT&T Alaska Response

Maryann,

Thank you for getting this information from USAC to clarify the funding for me. I reviewed Andy Rabung's response below and he is correct in confirming the miles that your circuit is, however Andy did not clarify in the email that your circuit cost

8/24/2011

EXHIBIT 7
Page 1 of 3

IS NOT mileage based. I don't know if that changes the funding that is supported by USAC or not. I will confirm this on AT&T letterhead for you to submit to USAC to see if that changes the supported amounts. I'll get it written up and approved through our attorney and sent to you asap.

Sincerely,

Amy Merchant
AT&T Alaska
Healthcare Account Executive
Signature Clients Group
Desk: 907-264-7142
Mobile: 907-360-5562
Fax: 907-777-2649

From: Freepartner, Maryann [mailto:Maryann.Freepartner@providence.org]
Sent: Wednesday, October 13, 2010 8:25 AM
To: Schlingen, Nathan; Merchant, Amy
Subject: FW: AT&T Alaska Response

Here is the information from the USAC analyst. I was not aware that there was a maximum allowable distance therefore a maximum amount of funding? Please review because we really cannot afford to pay \$17,000 per month for the service and this was never mentioned as a possibility.

Maryann Freepartner
Finance Manager
Providence Seward Medical and Care Center
907-224-2980

From: hdiaz [mailto:hdiaz@rhc.universalservice.org]
Sent: Wednesday, October 13, 2010 6:58 AM
To: Freepartner, Maryann
Cc: 'mtambur'
Subject: FW: AT&T Alaska Response

Maryann,

HCP 10382 Packet # 91429 and 92084

Sure, based on the email below the total billed miles were confirmed at 475. Your Maximum Allowable Distance (MAD) was 85. We adjusted your rural rate because we can only cover funding up to the MAD, therefore we requested a cost breakdown. The cost breakdown provided by the service provider confirmed that the cost per mile per month was \$17.62. Total billed Miles exceeded the MAD by 390 miles. 390 miles x \$17.62= \$6,871.80(charges over the MAD). This charge was discounted from your circuit cost of \$9005.20, which adjusted your rural rate to **\$2,133.40**.

Taxes were added to your rural and urban rates in the calculations below:

2,133.40 (Adjusted rural rate) +14.120% (Universal Service Fund) + 11.412% (Property tax allotment and Federal Regulatory Fee form one-time charges/credits on bill/total circuit costs)= **2,678.10- Adjusted Rural Rate**

198.30 (Urban rate) + 11.412% = **\$220.93--Adjusted Urban rate**

8/24/2011

EXHIBIT 7
Page 2 of 3

According to the bill the actual start date was **11/4/09**. This date was found on the December bill that was previously emailed to me.

The difference between the adjusted rural rate and adjusted urban rate was \$2,457.17 per month. I hope this helps.

If you have any questions please do not hesitate to contact me.

Thanks,

Hazel Diaz
Reviewer, Rural Health Care Division of USAC

P: (973)581-5028

F: (973)599-6514

hdiaz@rhc.universalservice.org

Note: USAC RHC mailing address has changed. Effective immediately, mailed items should be sent to:

Rural Health Care Division

30 Lanidex Plaza West

Parsippany, NJ 07054

From: Rabung, Andrew (Andy) [mailto:ar5354@att.com]

Sent: Thursday, September 23, 2010 5:06 PM

To: hdiaz

Cc: Merchant, Amy

Subject: RE: AT&T Alaska Response

Hazel,

I apologize for the delay in getting this to you. Please understand that I am required to get authorization from the AT&T compliance group prior to speaking directly with USAC.

Answers to the question are as follows.

Billed Circuit Miles: 475 miles - Anchorage to Kodiak 271, Kodiak to Seward 204

Monthly Mileage Based Charges - \$8369.00

Cost per mile per month - \$17.62

Regards
Andy

From: hdiaz [mailto:hdiaz@rhc.universalservice.org]

Sent: Monday, August 30, 2010 11:52 AM

To: Rabung, Andrew (Andy)

Subject: RE: AT&T Alaska Response

8/24/2011

EXHIBIT 7
Page 3 of 3

Ex. 8



October 26, 2010

Letter of Appeal
Rural Health Care Division
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

Appeal for HCP 10382 packets 91429 and 92084 – Funding Year 2009

I believe the funding calculations for both of these packets are incorrect. The billed miles noted in the original application were indicated as Zero. The two circuits covered in these applications are not charged based on mileage. I have had this confirmed by the service provider, AT&T and I am attaching that statement from our account representative.

The USAC reviewer had obtained the number of miles of circuit and incorrectly “discounted” our circuit cost from \$9005.20 to \$2133.40 based on a reduction in covered miles. This reduction is incorrect and needs to be revised. I believe we should receive additional funding of \$68,142.24 per circuit as per my calculations attached.

Please review our packets. I am happy to provide additional documentation if it is needed, and I can provide copies of the numerous emails to and from the USAC reviewer as well.

Thank you for your consideration.

A handwritten signature in cursive script that reads "Maryann Freepartner".

Contact Information:
Maryann Freepartner, Finance Manager
maryann.freepartner@providence.org
907-224-2980 Alaska Time Zone
Fax 907-224-5250
PO Box 365 Seward AK 99664

PROVIDENCE SEWARD MEDICAL AND CARE CENTER
HCP 10382
USAC APPEAL 2009 YEAR PACKETS 91429 AND 92084

<u>FUNDING REQUESTED:</u>	Packet 91429	Packet 92084	Total
Circuit cost per month	9,005.20	9,005.20	
Federal reg fees	1,027.69	1,027.69	
Taxes	1,270.81	1,270.81	
Total Rural Rate	11,303.70	11,303.70	
Urban rate including tax	220.93	220.93	
Monthly funding request	11,082.77	11,082.77	
Total months 7.9	87,553.88	87,553.88	
Non-recurring request	418.40	418.40	
	<u>87,972.28</u>	<u>87,972.28</u>	<u>175,944.57</u>
<u>Funding commitment received:</u>			
Circuit cost per month	9,005.20	9,005.20	
"Discount" applied in error	(6,871.80)	(6,871.80)	
	2,133.40	2,133.40	
Taxes	544.70	544.70	
Discounted rural rate	2,678.10	2,678.10	
Urban rate including tax	220.93	220.93	
Monthly support	2,457.17	2,457.17	
Total months 7.9	19,411.64	19,411.64	
Non-recurring request	418.40	418.40	
Funding per commitment	<u>19,830.04</u>	<u>19,830.04</u>	<u>39,660.09</u>
Additional funding requested	<u>68,142.24</u>	<u>68,142.24</u>	<u>136,284.48</u>

Rethink Possible



October 13, 2010

Providence Seward Medical and Care Center
HCP #10382
Packet #91429 & 92084

To Whom It May Concern:

This is pertaining to the AT&T Alaska circuits provided to Providence Seward Medical and Care Center. It was confirmed via email by Andy Rabung the miles for the provided circuits and the cost breakdown. However, it was not clarified in the email from Andy that the circuit costs are not mileage based, the circuit cost is a cost calculated for your specific contract.

If there are any additional questions or clarification needed, please don't hesitate to contact me.

Sincerely,

Amy Merchant
907-264-7142
Am0211@att.com

Freepartner, Maryann

From: Freepartner, Maryann
Sent: Friday, July 01, 2011 11:07 AM
To: 'Carolyn McCornac'
Subject: RE: HCP 10382; Providence Seward Medical Center; FY 2009; Packets 92084, 91429; Appeal 0926
Importance: High

Carolyn,

Thank you for all your attention to our funding requests. As you requested, here is a brief summary of our data needs and the decision to add the AT&T fiber circuits.

Providence Seward has relied on two T-1 land circuits provided by GCI for many years. With these circuits, several outages have occurred over the years. The existing T1 lines have used the GCI microwave circuits from Seward to Anchorage through Moose Pass. The existing circuits travel down Turnagain Arm, then up over Turnagain Pass and several other passes through the Chugach Mountain Range in Alaska. The miles along the highway are approximately 125 miles each way, but 85 miles as the crow flies due to the need for the highway to navigate through the mountains.

Our location has significantly increased the need for connectivity over the past three years. Significant growth in the reliance on Providence Alaska Medical Center and its staff of advanced practitioners is imperative for our Clinic, Emergency, Radiology and Laboratory. Additionally the business office that facilitates patient access has a strong need to maintain online connectivity with the region's resources in Anchorage.

We started preparing for implementation of electronic medical records in 2009 in conjunction with the Providence Alaska Medical Center in Anchorage. These systems rely strongly on the uninterrupted connectivity.

The AT&T fiber circuits were requested along the route through Cook Inlet in order to provide circuit diversity and redundancy for the critical circuits. The fiber circuits do not run through the same conduits as the other circuits. The redundant paths have kept our clinic and hospital connected through many carrier and circuit outages which would result in a total loss of connectivity at this time.

Maryann Freepartner

Finance Manager

Providence Seward Medical and Care Center
 907-224-2980

From: Carolyn McCornac [mailto:cmccornac@usac.org]
Sent: Thursday, June 30, 2011 8:12 AM
To: Freepartner, Maryann
Subject: RE: HCP 10382; Providence Seward Medical Center; FY 2009; Packets 92084, 91429; Appeal 0926

Hi Maryann,

As I prepare for the next step in the appeal process, it would be helpful to have an explanation from you regarding the decision/need for the Anchorage-Kodiak-Seward network route in lieu of the Anchorage-Seward route. In other words, if a shorter network was available, why did the Medical Center choose the longer route?

Thanks,
 Carolyn

8/25/2011

EXHIBIT 9
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Universal Service Administrative Company

Administrator's Decision on Rural Health Care Program Appeal

Via Electronic and Certified Mail

July 27, 2011

Ms. Maryann Freepartner
Finance Manager
Providence Seward Mountain Haven
P.O. Box 365
Seward, AK 99664

Re: Request for Reconsideration of Denial
Providence Seward Mountain Haven, HCP #10382, Packets #91429, 92084

Dear Ms. Freepartner,

The Universal Service Administrative Company (USAC) has completed its evaluation of the October 26, 2010 letter of appeal you submitted on behalf of Providence Seward Mountain Haven (Providence). Your appeal requested that USAC reevaluate the amount of funding provided for Packets 91429 and 92084 for Funding Year 2009. Upon review, USAC concludes that funding was calculated appropriately for the packets in question.

Decision on Appeal and Explanation: Denied.

Providence submitted Packets 91429 and 92084 on February 22, 2010, reflecting contracted service for two T1 circuits. Funding commitment letters (FCLs) were sent on September 30, 2010.

Providence disputes USAC's calculation of support and argues that the "circuits covered in these applications are not charged based on mileage."¹ To support its argument, Providence provided a letter from AT&T Alaska stating that the "circuit costs are not mileage based" but are "calculated for [Providence's] specific contract."²

Rural Health Care funding is limited to the Maximum Allowable Distance (MAD), "a distance not to exceed the distance between the eligible health care provider's site and the farthest point on the jurisdictional boundary of the city in that state with the largest population."³ The MAD is calculated by USAC when the Form 465 is processed. USAC

¹ Letter of Appeal at 1.

² Letter from Amy Merchant, AT&T, to Providence Seward Medical and Care Center (Oct. 13, 2010).

³ 47 C.F.R. § 54.613(a).

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includes the MAD in Block 1 of the Form 465 when the form is posted on the USAC website.⁴

The service agreement submitted with Providence's packets shows that each circuit is billed for 475 miles, which was also confirmed in a follow up email from AT&T Alaska.⁵ The MAD for Seward is 85 miles, which is the distance between Seward and the farthest jurisdictional boundary point of Anchorage, the city in Alaska with the largest population.⁶ Providence is not eligible to receive Rural Health Care Program support for the remaining distance of 390 miles (475-85) because it exceeds the MAD.⁷

Providence requested \$8,784.27 in monthly support per circuit.⁸ Because the requested supported exceeded the MAD by 390 miles, \$6,871.80⁹ was correctly deducted from the total rural rate. Therefore, the appeal is hereby denied.

If you wish to appeal this decision, you may file an appeal pursuant to 47 C.F.R. Part 54, Subpart I. Detailed instructions for filing appeals are available at:

<http://www.usac.org/rhc/about/filing-appeals.aspx>

Sincerely,

USAC

⁴ Instructions to the FCC Form 466, at 4.

⁵ Alascom Data Services Circuit Term Plan Pricing Schedule, 3. *See also*, Email from Andrew Rabung, AT&T Alaska to USAC (Sept. 23, 2010, 5:06 p.m.).

⁶ *See* Providence's posted Form 465, Funding Year 2009, Block 1.

⁷ 47 C.F.R. § 54.613(a).

⁸ Calculated as the rural rate of \$9,005.20 minus the urban rate of \$220.93. *See* 47 C.F.R. § 54.609(a).

⁹ Calculated as 390 miles times the rate per mile per month of \$17.62. *See* Email from Andrew Rabung, AT&T Alaska, to USAC (Sept. 23, 2010, 5:06 p.m.)(providing rate per mile).